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EXHIBIT B

MEMORANDUM FOR THE RECORD

SUBJECT: Final Settlement Negotiations of Contract No. HF-1230
with The Firewel Company, Inc.

25X1A 1. In view of the overages and shortages in deliveries reported by the Chief of Supply Depot in Dispatch [REDACTED]-0582 and the statement in Para. 5 thereof that "The above discrepancies do not imply that Contractor has not fulfilled contract requirements, however proper documentation is not available at Depot to justify the verification of the items," the undersigned visited The Firewel Company, Inc. on 11 August 1960 to negotiate adjustments in the contract price to offset the discrepancies.

25X1A 2. The verification of deliveries compiled jointly by the Supply Depot and [REDACTED] and submitted by the Supply Depot in the above mentioned dispatch indicated a net shortage of \$10,813.47. (For computation see Schedule A to Shortage Computation). The Contractor could offer no further documentation acknowledging receipt of deliveries under the contract, but did agree to adjust thirty-six (36) contract items included in Schedules 4, 6 and 7 for which it could find no indication of shipments. These adjustments resulted in a net decrease of \$5,020.23 in the contract price or a total shortage of \$5,793.24 under the contract. (See Schedule B to Shortage Computation).

3. Although the verification submitted by the Supply Depot also indicated overshipments on several items, the Contractor made no claim to recover cost of these items. Overshipments were allowed on two items, i.e., Item 50 in Schedule 6 and Item 92 in Schedule 7 in the total amount of \$19.71 on which the Contractor's records did indicate delivery.

25X1A 4. Further verification of deliveries was requested of [REDACTED] who authorized procurement of certain equipment under the contract. [REDACTED] stated that 25X1A 25X1A all work performed at his request was satisfactorily completed by the Contractor.

5. In addition to overage and shortage adjustments, the Contractor was allowed \$1,016.24 representing shipping charges incurred under the contract.

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6. The foregoing negotiations resulted in a revised total contract price for Schedules 3, 4, 5, 6 and 7 of [REDACTED] and the conclusion that the Contractor fully performed the contract requirements although documentation cannot be ascertained indicating receipt of every contract item.

SIGNED

25X1A

CONCUR:

SIGNED

25X1A

Contracting Officer

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